

SENATE BILL REPORT

SB 5333

As Reported By Senate Committee On:
Government Operations & Elections, February 24, 2005

Title: An act relating to voter-approved regular property tax levies.

Brief Description: Modifying requirements for voter-approved property tax levies.

Sponsors: Senators Regala, Esser, Prentice, Hewitt, Pridemore and McCaslin.

Brief History:

Committee Activity: Government Operations & Elections: 2/3/05, 2/24/05 [DPS, w/oRec, DNP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: That Substitute Senate Bill No. 5333 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Berkey, Vice Chair; Fairley, Haugen, Kline and Pridemore.

Minority Report: That it be referred without recommendation.

Signed by Senators Roach, Ranking Minority Member and Mulliken.

Minority Report: Do not pass.

Signed by Senator Benton.

Staff: Genevieve Pisarski (786-7488)

Background: In addition to the constitutional 1 percent limit on the total rate of tax per parcel of property, there is a statutory 1 percent limit on the amount of revenue that any taxing district can collect compared to what it collected in prior years. Under this revenue "lid," the amount of revenue collected from a regular (i.e., non-voter-approved) property tax levy can not be more than 1 percent above the highest one year amount collected in the past three years. The only exception is if the voters in the district approve a "lid lift," which allows voters in a district to agree to tax themselves above the lid. Prior to 2003, the additional revenue from a lid lift could be collected only for one year for each voter-approved resolution.

In 2003, voters in counties, cities, and towns were allowed to approve by majority vote in a primary or general election a resolution for a levy lid lift that lasts up to six years. The resolution must specify the target dollar amount only for the first year's collection. The resolution must specify some type of annual increase scale (e.g., the consumer price index) for setting the succeeding year's amounts.

Summary of Substitute Bill: Authority for a levy lid lift that lasts up to six years is no longer expressly limited to counties, cities, and towns, making it available to any taxing district. Elections for this purpose are no longer limited to primary or general elections. There

is no longer a requirement that the funds raised do not supplant existing funds for the same purpose.

Substitute Bill Compared to Original Bill: In addition to removing the limitation on the type of local government authorized to seek a six-year levy lid lift, limitations relating to elections and use of funds are also removed.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill gives other taxing districts the same options that counties, cities, and towns have. For a library district, this could help provide funding stability to maintain level of service. It would save money spent on repeated levy lid lift elections.

Testimony Against: None.

Who Testified: PRO: Ryan Spiller, Washington Fire Commissioners Association; Patty Duitman, Fort Vancouver Regional Library; Steve Duncan, Washington Library Association.